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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-825]

Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review; 2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that Jindal Poly Films Limited of India (Jindal) and SRF Limited (SRF), producers and/or exporters of polyethylene terephthalate film, sheet, and strip (PET film) from India, received net countervailable subsidies during the period of review (POR) January 1, 2017 through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Elfi Blum, AD/CVD Operations, Office VII, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0197.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this review on September 12, 2019.¹ For a history of events that occurred since the *Preliminary Results*, see the Issues and Decision

¹ See *Polyethylene Terephthalate Film, Sheet, and Strip from India: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2017*, 84 FR 48105 (September 12, 2019) (*Preliminary Results*).

Memorandum.² On January 3, 2020, we extended the final results of review by sixty days until March 10, 2020.³

Based on an analysis of the comments received and record information, we have revised our calculations for Jindal. The final subsidy rates are listed in the “Final Results of Administrative Review” section below.

Scope of the Order

For the purposes of the order, the products covered are all gauges of raw, pretreated, or primed polyethylene terephthalate film, sheet and strip, whether extruded or coextruded. Excluded are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches thick. Imports of PET film are classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 3920.62.00.90. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum. The issues are identified in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>

² See Memorandum, “Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip from India; 2017,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See Memorandum, “Polyethylene Terephthalate Film, Sheet and Strip from India: Extension of Deadline for Final Results of Countervailing Duty Administrative Review,” dated January 3, 2020.

and in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/fm/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on the comments received from interested parties, we made changes to the net subsidy rate calculated for one of the two mandatory respondents. Specifically, upon analyzing parties' comments, we noted a ministerial error in the rate calculations for one program. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, Commerce calculated weighted average countervailable subsidy rates for Jindal and SRF that are not zero, *de minimis*, or based entirely on facts otherwise available. Therefore, Commerce calculated the all-others rate using a weighted average of the countervailable subsidy rates calculated for Jindal and SRF using each company's publicly-ranged values for the merchandise under consideration.⁵

Final Results of Administrative Review

In accordance with section 777A(e)(1) of the Act and 19 CFR 351.221(b)(5), we determine the total estimated net countervailable subsidy rates for the period January 1, 2017 through December 31, 2017 to be:

Manufacturer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Jindal Poly Films Limited of India	10.51
SRF Limited	7.22
Ester Industries Limited	9.30
Garware Polyester Ltd.	9.30

⁵ With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. See, e.g., *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010). As complete publicly-ranged sales data was available, Commerce based the all-others rate on the publicly-ranged sales data of the mandatory respondents. For a complete analysis of the data, see the All-Others Rate Calculation Memorandum.

Polyplex Corporation Ltd.	9.30
Vacmet India Limited	9.30

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the Federal Register, in accordance with 19 CFR 351.224(b).

Assessment and Cash Deposit Requirements

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of the final results of this review. Commerce will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered or withdrawn from warehouse, for consumption from January 1, 2017 through December 31, 2017, at the percent rates, as listed above for each of the respective companies, of the entered value.

Commerce intends also to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information

disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: March 6, 2020.

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

APPENDIX

Issues and Decision Memorandum

- I. Summary
 - II. List of Issues
 - III. Background
 - IV. Changes Since the Preliminary Results and Post-Preliminary Results
 - V. Scope of the Order
 - VI. Period of Review
 - VII. Subsidies Valuation Information
 - VIII. Use of Facts Otherwise Available and Adverse Inferences
 - IX. Analysis of Programs
 - X. Final Results of Review
 - XI. Analysis of Comments
 - Comment 1: Whether Commerce properly determined the appropriate denominator for Jindal Poly Films Limited (Jindal) for all export subsidies.
 - Comment 2: Whether Commerce properly relied on facts available and an adverse inference to find the Section 32 Capital Investment Deductions of the Income Tax Act, 1961 – Subsection 32AC(1A) program is a countervailable subsidy.
 - Comment 3: Whether Commerce properly found the State Government of Maharashtra (SGOM) Package Scheme of Incentives (PSI) 2007 – Industrial Promotion Subsidy (IPS) to be a countervailable subsidy.
 - Comment 4: Whether Commerce should revise all allocations for all non-recurring subsidies based on Jindal’s revised company-specific average useful life (AUL).
 - Comment 5: Whether Commerce should not countervail export promotion capital goods scheme (EPCGS) Licenses for Jindal’s Global Non-Wovens (GNL) division for non-subject merchandise.
 - Comment 6: Whether Commerce should deduct Jindal’s application fees it paid for its EPCGS licenses from the calculated benefit amounts.
 - Comment 7: Whether Commerce made a calculation error related to the services export from India/services from India (SEIS/SFIS) schemes.
 - Comment 8: Whether Commerce failed to explain the source for the interest rate used in the allocation of the status holder incentive scheme (SHIS).
 - XII. Recommendation
- [FR Doc. 2020-05064 Filed: 3/11/2020 8:45 am; Publication Date: 3/12/2020]